

OFFICE OF CITY CONTROLLER
CITY OF HOUSTON
INTER OFFICE CORRESPONDENCE

To	Mayor Bill White City Council Members	From	Annise D. Parker City Controller
		Date	July 1, 2005
		Subject	May 2005 Financial Report

Attached is the Monthly Financial and Operations Report for the period ending May 31, 2005.

GENERAL FUND

Our revenue projection has increased by \$2.8 million. \$1.1 million of the increase is attributed to higher than expected collections for ambulance fees. The rest of the increase is due to higher year-to-date receipts in various revenue categories, including Indirect Cost Recoveries for grants in the Health Department and other City departments.

We are decreasing our projection for expenditures. The change is due to numerous true-ups at the department level and in General Government, including \$5 million in personnel cost savings at the Police Department that is the result of attrition, a restructuring of the Meet and Confer Contract, changes in health benefits and the Phase Down Program.

ENTERPRISE FUNDS

In Aviation, a \$3.3 million decline in year-to-date landing area fees and a \$3 million decrease in building and ground area fees is offset by a \$1.4 million increase in parking and concessions fees for a net decrease in our operating revenue projections of \$4.9 million. Non-operating revenues increased by \$1.2 million due to higher year-to-date interest income.

In Convention and Entertainment, a \$652,000 increase in concession revenues is offset by a \$232,000 increase in Personnel expenses. The result is a \$420,000 net increase in operating income. Non-operating revenues decreased by a net of \$580,000. Operating Transfers decreased by \$1.5 million because an anticipated transfer from the Disaster Recovery Fund did not take place this fiscal year.

Non-operating revenues for the Combined Utility System are up by \$689,000 due mostly to higher year-to-date interest income. Our projection of Operating expenses has decreased by \$2 million because the Northeast Treatment Plant is not yet operational. This resulted in a total net revenue increase of \$2.7 million.

**Mayor Bill White
City Council Members
May 2005 Monthly Financial and Operations Report**

COMMERCIAL PAPER AND BONDS

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure. At month-end, the ratio for each type of outstanding debt was:

General Obligation	17.1%
Combined Utility System	20.7%
Aviation	17.7%
Convention and Entertainment	27.4%

Respectfully submitted,



Annise D. Parker
City Controller